

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 21, 2017**

**TO:** Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB262 by Zaffirini (Relating to certain purchasing by state agencies and local governments.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Chapter 2157 of the Government Code, regarding state purchasing of automated information systems, to require the Department of Information Resources (DIR), in cooperation with state agencies, to periodically assess the risk to this state in the purchase of commodity items made by the agencies under DIR cooperative contracts. Additionally, the bill would require DIR, based on the risk assessment and as DIR considers necessary to ensure accuracy, to monitor and verify the purchase transaction reports of the monthly sales of those commodity items submitted by vendors in accordance with DIR requirements.

The bill would amend Chapter 2155 of the Government Code, regarding general rules and procedures for state purchasing, to place a restriction on the authorization for a state agency or local government to purchase goods or services directly from a vendor under a Texas multiple award schedule (TxMAS) contract established by the Texas Comptroller of Public Accounts (CPA). Specifically, a state agency or local government contracting for the purchase of an automated information system would be required to comply with statutory provisions relating to the use of DIR cooperative contracts.

DIR estimates there would be a cost to implement provisions of the bill; this analysis assumes that the cost could be absorbed within existing resources. If DIR were to pursue an automated system to verify purchase transaction reports, there would be a cost which could potentially be significant. The bill would take effect on September 1, 2017.

**Local Government Impact**

According to the Texas Association of Counties, Denton County and Montgomery County reported the fiscal impact would not be significant. Additionally, Guadalupe County reported that the cost of an additional full-time equivalent IT staff person is approximately \$65,000 (salary and benefits) per year.

**Source Agencies:** 313 Department of Information Resources

**LBB Staff:** UP, CL, JPU, DRE, JGA